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Report of the Economic and Social Council

Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields

Information and communication technologies for development

Macroeconomic policy questions

Follow-up to and implementation of the outcome of the International Conference on Financing for Development

Sustainable development

Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and strengthening of the United Nations Human Settlements Programme (UN-Habitat)

Globalization and interdependence

Eradication of poverty and other development issues

Operational activities for development: operational activities for development of the United Nations system

Follow-up to the outcome of the Millennium Summit

United Nations reform: measures and proposals

Letter dated 15 March 2007 from the Permanent Representative of Pakistan to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the final communiqué adopted by the forty-first Meeting of the Chairpersons/Coordinators of the Chapters of the Group of 77, held in Rome on 26 and 27 February 2007 (see annex).

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On behalf of the Group of 77 and China, I would appreciate it if the present letter and its annex could be circulated as a document of the sixty-first session of the General Assembly, under agenda items 42, 47, 50, 51, 52, 53, 54, 55, 57, 58, 113 and 149.

(*Signed*) Munir **Akram**
Ambassador
Permanent Representative of Pakistan to the United Nations
Chairman of the Group of 77

Annex to the letter dated 15 March 2007 from the Permanent Representative of Pakistan to the United Nations addressed to the Secretary-General

Final communiqué adopted by the forty-first Meeting of the Chairmen/Coordinators of the Chapters of the Group of 77

Rome, 26 and 27 February 2007

1- We, the Chairmen/ Coordinators of the Chapters of the Group of 77, meeting in Rome from 26 to 27 February 2007, under the Chairmanship of Ambassador Munir Akram, Permanent Representative of Pakistan to the United Nations and Chairman of the Group of 77 in New York, have unanimously adopted the following communiqué:

2- We are meeting at a time of momentous change, which poses daunting challenges but also offers great opportunities to the developing countries. Globalization is accelerating. Economic and social imbalances are growing. The role and importance of the developing countries in the world economy is significantly enlarged, with some of them serving as the major drivers of global economic growth. The G-77 and China are determined to act collectively to realise the right to development for all peoples.

3- We have made important strides during the past few years in building on the normative framework for global development cooperation established through the commitments made at the major UN Summits and Conferences. Securing the effective and full implementation of the agreed goals and commitments is the highest priority of the Group during 2007. These must address the fundamental sources of poverty and underdevelopment, not merely the symptoms. Resolution 60/265 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals (MDGs) and the other internationally agreed development goals (IADGs), adopted by the General Assembly last year, provides a good legislative framework for pursuing a more structured and coherent approach to implementation of the MDGs and the IADGs. Building on resolution 60/265, we propose to develop an intergovernmental monitoring mechanism to track and encourage the implementation of internationally agreed development goals including MDGs.

4- In this context, the following vital goals need to be pursued simultaneously:

- **First**, assuring adequate financing for development. The fulfilment of the 0.7 ODA target remains a central objective. Debt cancellation and adjustment needs to be much more broad and generous for the poorest countries. Foreign direct investment flows should be more consciously directed towards the weaker economies, through various measures, such as investment guarantee schemes. Bolder and more general efforts are required to mobilize additional development finance through innovative measures. The need felt by many developing countries to maintain large foreign currency reserves reflects a lack of trust in the international financial system which should be reformed to ensure financial stability and enlarge growth and trade.

- **Second**, a determined effort is required to revive and conclude the Doha round of trade negotiations as soon as possible. The huge agricultural subsidies and support resorted to by the rich countries must be quickly, if progressively, eliminated. Neo-protectionism must be eschewed. Trade capacity creation in the poorest countries is vital. At the same time, efforts to promote commodity price stabilization at fair levels must continue. The developing countries should retain the policy space and priority to achieve this.

- **Third**, industrial development is key to growth and employment. This would require meeting the national capacity, including energy needs and adequate non-discriminatory market access for their products.

- **Fourth**, in an increasingly knowledge-based world economy, access to technology has become a vital component of any viable development strategy. Building on the decisions of the 2005 World Summit and the World Summit on Information Society, the restrictions on technology transfer and acquisition, including under the TRIPS agreement, need to be reviewed and revised. Incentives should be provided for research, including by the private sector, into the problems of the poor which presently attract only 10 percent of research and development expenditure.

- **Fifth**, in view of the deterioration in the global environment, sustainable development should become a central policy for both the advanced and developing countries. The developing countries contribute the least to environmental degradation but are affected the most. Global warming and environmental disasters are a growing reality. Efforts are required to revive implementation of Agenda 21 and Rio principles and paragraph 169 of the 2005 World Summit Outcome including preservation of biodiversity and addressing the crisis of urbanisation. Without this the MDGs will not be achieved.

- **Sixth**, it is now essential to evolve agreed approaches to the issue of migration and development. The recent High-Level Dialogue on International Migration and Development should lead to more active international cooperation and a coherent approach to enhance the development benefits of migration and reduce its negative political and human rights dimensions.

5- We welcome the decision of the General Assembly to hold a follow-up International Conference on Financing for Development in Doha, Qatar in the second half of 2008. Meanwhile, UNCTAD XII to be held in Accra, Ghana, in 2008, will provide a good opportunity to reiterate our commitment to the agreed goals including the Millennium Development Goals and the Global Partnership for Development.

6- We also need to revitalize the dialogue between G-8 and G-77. This is critical in view of the widening trust deficit between the developed and developing countries, which has emerged as a major impediment to a stable economic order and critical challenge to the UN today. Pakistan is committed, as G-77 Chair, to contribute to such dialogue with the G-8, consistent with the mandates of the South Summits.

7- We attach high priority to the reform of the United Nations and other international institutions to enhance their ability to respond to the current and future challenges affecting the international community, in particular the developing countries. The G-77 should take the lead in promoting the Right to Development on an equal footing with other human rights and a process should be initiated for this purpose.

8- We emphasize that the reform process should strengthen the UN in its central role in promoting effective multilateralism and multilateral solutions to current and future global challenges, in strengthening the Organization's substantive capacity to fully promote and implement the principles and purposes of the UN Charter, and improving democratic decision-making and transparency in consultative processes on all issues. It should safeguard the principle of sovereign equality of Member States in administrative, financial and budgetary oversight and enhance the efficiency and effective implementation of all legislative mandates. Importantly, the reform process should strengthen accountability in the UN in the human resource management, procurement, and other financial and administrative affairs. The final result of the exercise should be to ensure that the Organization is able to implement the entire range of its mandates more effectively and efficiently. The voice of every Member State must be heard and respected, irrespective of their budgetary contributions to the Organization.

9- We reiterate the need for the UN to develop its full potential to address urgent and serious economic and social problems facing developing countries, including in the field of international economic cooperation.

10- In this regard, we reaffirm the role of the Economic and Social Council (ECOSOC) as the principal body for the promotion of development cooperation, coordination, policy making, review and dialogue on international economic issues and for making recommendations on issues of economic and social development.

11- In its functions as a biennial Development Cooperation Forum, ECOSOC should address: one, multilateral cooperation, i.e., that involving the United Nations agencies, funds and programmes; BWIs; two, bilateral cooperation, i.e., with developed countries partners (OECD/DAC); and three: South-South cooperation. Our endeavour should be to use the Annual Ministerial Review to identify the gaps, shortcomings and successes, both at the national level and development partners level, and to further develop policy recommendations to advance the implementation process.

12- It is vital to improve the governance of the Bretton Woods Institutions (BWIs) to secure a greater and effective participation of the developing countries. The IMF should be restructured to provide access to resources to those developing countries which need it most. It should preserve financial stability and enlarge growth and trade. We support the increase in quotas of developing countries which should not be at the expense of other developing countries. The World Bank should focus on areas of greatest priority to the developing countries, e.g., education, infrastructure, agriculture, health and building national institutions.

13- We look forward to the discussion of the High-level Panel on UN System-wide Coherence report entitled: "Delivering as One". We note that 8 "Pilots" of one-country approach are experiments and should be aligned with national priorities.

In this context, it is vital, where required, to ensure that recipient Governments have the capacity to freely determine their own development strategies and priorities. Also, there cannot be a one-size fits all approach. While the UNDP's lead role is essential, the sectoral expertise and specialization of UN agencies should be preserved. The harmonization of the business practices of the UN funds and programmes and the specialized agencies will serve to increase coherence and efficiency. Greater coherence of policy orientations and operational activities and business practices of the UN system would enhance its effectiveness and efficiency and attract greater resources. However, several recommendations of the report require further in-depth consideration both by Member States and among the UN agencies. There are several other issues, not fully covered in the report which need to be addressed such as the quality and quantity of financial resources for operational activities, core and non-core resources, effective intergovernmental governance and coordination and cooperation with the BWIs and bilateral donors.

14- We note UNDP's role to support dialogue on the recommendations of the High-level Panel on UN System-wide Coherence report. UNDP has also continued its support to the G-77 effort through the Special Unit for South-South Cooperation and through its universal representation in developing countries, as well as through its programmes to advance the development objectives of the G-77.

15- UNCTAD has a symbiotic relationship with the Group of 77. The Group will continue to support its broad mandate and to utilize its expertise and potential to advance the agenda and objectives of the developing countries, including the least developed countries.

16- We note the three Rome-based organizations – FAO, WFP and IFAD – are working together within their respective mandates to advance the agreed development objectives in the agricultural field, especially the vital first MDG which calls for the elimination of hunger and poverty. They also express concern at the deteriorating financial situation of FAO.

17- We reaffirm our full support for the mandate of UNIDO which has become a more focused, effective and efficient organization for developing countries, more capable of delivering concrete results and providing valuable contributions to the achievement of the internationally agreed development goals. UNIDO has sharpened its technical cooperation activities on three themes, poverty reduction through productive activities, trade capacity building and energy and environment, which directly respond to international development priorities.

18- The UNEP, UN-HABITAT and other environmental organizations need to enhance coordinated efforts to implement their respective mandates. Instead of further examination of environmental governance, the provisions of paragraph 169 of the 2005 World Summit Outcome document should be speedily implemented.

19- Urbanization is an irreversible process. We support the revitalizing of the UN-HABITAT and its agenda to address water and sanitation issues. We also support its commitment to slum upgrading in an integrated manner and to further address the strategic links between sustainable human settlements and the reduction of urban poverty in the developing countries.

20- We stress the need to further advance and fully implement the Bali Strategic Plan for Technology Support and Capacity Building, including through the South-South Cooperation Mechanism.

21- We stand in full support of the position of the Group of 77 and China on UN Reform, under the able leadership of Pakistan as Chair country of the Group of 77, in defending the interests of developing countries and ensuring the successful outcome of the reform process as well as safeguarding the integrity and Charter role of the General Assembly in this important process in accordance with decisions and guidance by the Heads of State or Government of the Group of 77 at the Second South Summit held in Doha, Qatar, from 12 to 16 June 2005.

22- We view South-South cooperation as the arena offering the most exciting opportunities for the Group. It is a crucially important tool for developing and strengthening the economic independence of developing countries and for achieving development as one of the means of ensuring an equitable global economic order. In this regard, we are pleased to note the emerging dynamic economies of the South. We are also encouraged by progressive trends in South-South cooperation, especially in the areas of trade and investment. The recent meetings and initiatives, including the South America-Arab Summit, the New Asian-African Strategic Partnership in 2005 and China-Africa Summit in 2006 have underlined a strong commitment among developing countries to maintain and enhance this momentum. The economic dynamism of the South augurs well for our collective self-reliance through trade, investment and technological cooperation.

23- We, however, note that despite these promising trends, developing countries are confronting a number of challenges, in particular the challenge of transforming the economic dynamism of the South into sustainable South-South and international cooperation, as well as of spreading its fruits to all developing countries and regions across the board.

24- We should actively exploit our existing and potential economic complementarities and intensify our efforts to expand, accelerate and initialize these trends. We may consider reviving and reinvigorating the South's trade and commerce organizations; promote greater interaction with the private sector; prepare a list of MDG-based research and development projects for financing; promote coordination between the South's development funds and programmes, e.g., through a G-77 Development Assistance Committee; establish a mechanism for coordination among G-77 "Think Tanks" and development policy institutions. We may also consider setting up an Eminent Persons Group to further elaborate the "South Platform" formulated at the initiative of Jamaica, Chair country of the G-77 for 2005. To promote these and other aspects of South-South cooperation, we need a strengthened G-77 Secretariat as provided for in the Havana Programme of Action adopted by the First South Summit in 2000 and reaffirmed by the Doha Plan of Action adopted by the Second South Summit in 2005. We look to the UN system to provide support to the Group, both financial and personnel. We also welcome the support expressed by the Chairman of the G-24 to explore the possibility of expanding the G-24 research programme in order to cover issues of critical importance to all G-77 Chapters. In this context, we welcome the steps undertaken by the G-77 and G-24 in order to harmonise developing countries' positions at various international fora and to strengthen further the negotiating capacity of the South.

25- We welcome the support being extended to developing countries by several other developing countries and their institutions including the OPEC Fund for International Development, the Islamic Development Bank and other similar South institutions.

26- We stress the need to consolidate the ongoing efforts to further increase resources, and to support the implementation of the relevant recommendations of the Second South Summit related to South-South cooperation, particularly the mandate referred to in paragraph 110 of the Doha Plan of Action regarding the strengthening of the Special Unit for South-South Cooperation as a separate entity and a focal point for South-South cooperation within the United Nations system as reaffirmed by General Assembly resolution 58/220 of 23 December 2003, so as to enable it to carry out its full responsibilities. We do sincerely hope that such mandate is fulfilled within the context of the ongoing reform process.

27- We believe that the South must be adequately supported by more inclusive public-private partnership mechanisms in order for developing countries to effectively participate in the world economy and have a fairer share of the benefits of globalization. In this context, we call on the UN system to join our ongoing efforts and assist in providing support in order to strengthen, harmonize and complement the strategic partnerships that have been built up through South-South cooperation.

28- In this regard, we welcome the preparation of a multi-year plan of action on South-South Cooperation on Biodiversity, to be submitted to the ninth session of the Conference of the Parties to be held in May 2008 in Bonn, Germany, as well as the brainstorming session held in Montreal, Canada on 6-8 November 2006.

29- In this context, we welcome the establishment of the Consortium on Science, Technology and Innovation for the South (COSTIS), and we stress its importance as a viable instrument in the Trieste System family for addressing the global issues of science, technology and innovation as well as promoting economic development in the South. We call upon the international community for financial and technical support in order to strengthen and consolidate the Consortium's activities. We are confident that COSTIS will bring an important contribution in assisting developing countries in their efforts to promote educational, scientific and technologic progress.

30- We welcome the generous offer by the Nairobi Chapter to host the 42nd meeting of the Chairmen/Coordinators of the Group of 77 Chapters.

31- We wish to express our deep appreciation and gratitude to the excellent arrangements made by the Rome Chapter in hosting the 41st meeting of the Chairpersons/Coordinators of the Group of 77.